GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2376
ANSWERED ON:25.07.2014
Debt Burden
Birla Shri Om

Will the Minister of FINANCE be pleased to state:

(a) whether any assessment has been made with regard to debt of India since 2004;

(b) the growth made therein by the year 2014;

(c) the interest payable on the said debt each year;

(d) whether any time bound action plan is under consideration to reduce the said debt; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE (SMT. NIRMALA SITHARAMAN) MINISTRY OF FINANCE

(a) The Government is resorting to raise funds to meet the fiscal deficit i.e. excess of expenditure over revenue receipts. The Government is depicting its debt requirement in the Budget documents every year and also stating the means of financing such deficit. The increase in fiscal deficit in absolute term was on account of higher developmental expenditure.

(b) In terms of the GDP, the debt of the Central Government has steadily been declined from 61.2 per cent in the year 2003-2004 to 49.2 per cent in the financial year 2013-14 or in other words debt to GDP ratio slide down by 12 per cent in 2013-2014 when compared to 2003-2004.

(c) Year-wise interest payment made during the period 2003-2004 to 2013-14 is as under:

(Rs in crore)

Year	Interest Paid	Year	Interest Paid	Year	Interest Paid
2003-2004	124088	2007-2008	171030	2011-2012	273150
2004-2005	126934	2008-2009	192204	2012-2013	313170
2005-2006	132630	2009-2010	213093	2013-2014	380066
2006-2007	150272	2010-2011	234022	(Revised Estimates)	

(d) & (e) The Government has reverted to the path of fiscal consolidation with gradual exit from the expansionary measures in a calibrated manner. The reduction in Fiscal deficit from 4.8 per cent of GDP in 2012-13 to 4.6 per cent of GDP in RE 2013-14 is designed with a mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP. With reprioritization of expenditure towards developmental side and curtailing the growth in non- development expenditure, total expenditure is estimated to decline as percentage of GDP. Government has announced a fiscal roadmap to bring down the fiscal deficit to 3% by 2016-17 with a reduction of 0.5% - 0.6% every year.